RUGBY MINING LIMITED

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July 13, 2011

Dear Reader,

RE: Amended Management Discussion & Analysis for February 28, 2011

As requested by the BC Securities Commission and as required by National Instrument 51-102, the Company has amended the section “Selected Annual Information” of its Management Discussion & Analysis for the year ended February 28, 2011 by providing financial data for each of the three most recently completed financial years.

Yours truly,
RUGBY MINING LIMITED

“Darcy Daubaras”

Darcy Daubaras
CFO

RUGBY MINING LIMITED

Management's Discussion and Analysis

February 28, 2011

June 23, 2011 as amended July 13, 2011

Rugby Mining Limited

Management's Discussion and Analysis
For the year ended February 28, 2011

This Management's Discussion and Analysis ("MD&A") of Rugby Mining Limited ("Rugby" or the "Company") is dated June 23, 2011 and amended and restated as of July 13, 2011 and provides analysis of Rugby's audited financial results for the year ended February 28, 2011. At June 23, 2011, the Company had 32,602,500 shares outstanding.

The following information should be read in conjunction with, the Company's audited financial statements and related notes for the year ended February 28, 2011. The audited financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP").

All amounts are expressed in Canadian dollars unless otherwise noted. All documents noted above and any additional information relating to the Company, are available for viewing on SEDAR at www.sedar.com and/or the Company's website at www.rugbymining.com.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks associated with exploration and project development;
- the need for additional financing;
- fluctuations in metal prices;
- title matters;
- uncertainties and risks related to carrying on business in foreign countries;
- environmental liability claims and insurance;
- reliance on key personnel;
- the potential for conflicts of interest among certain of our officers, directors or promoters with certain other projects;
- the absence of dividends;
- currency fluctuations;
- competition;
- dilution; and
- the volatility of our common share price and volume.

The above list is not exhaustive of the factors that may affect forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward-looking statements.

Description of Business

The Company is an emerging mineral resource company exploring for gold, silver and base metals.

The Company was incorporated on January 24, 2007. The results of the most recently completed financial year end are set out in the Company's audited financial statements for the year ended February 28, 2011 and are discussed below.

The Company began the fiscal year with 20,195,000 shares outstanding and ended the fiscal year with 32,052,500 shares outstanding.

Projects

Hawkwood Property, Australia

The Hawkwood project is situated near Hawkwood in south eastern Queensland, Australia. The Hawkwood project is very well located close to infrastructure and a seawater port. The project has been the subject of exploration activities over the last 40 years with reported results from previous explorers of 0.55% copper over 3 metres ("m") in trenches and drill results of 0.51% copper over 20m, from a depth of 2m. In addition, trenching results from the mid 1990's are also reported to include up to 12m of 0.3% copper, 0.4 parts per million ("ppm") platinum and 0.6 ppm palladium.

The Hawkwood project Agreement

Pursuant to agreements dated July 10, 2008 and December 2, 2008 between Sunland Properties Limited ("Sunland") and Rowen Company Limited ("Rowen") a company controlled by Bryce Roxburgh, a director of the Company, and subsequent amendment dated December 31, 2009, the Company has the option ("Hawkwood Option") to acquire up to 90% of the issued and outstanding shares of Sunland. Sunland's wholly owned subsidiary, Rugby Mining Pty Ltd., owns the Hawkwood property in Queensland Australia.

Under the Hawkwood Option, the Company paid to Rowen A$25,000 ($22,388) as a non-refundable deposit and a further A$200,000 ($183,202) to repay a portion of a loan advanced to Sunland by Rowen. In addition, pursuant to the amendment dated December 31, 2009, the Company issued 1.5 million common shares with a fair value of $615,000 to Rowen (issued subsequent to the year ended February 28, 2010), following approval from the TSX-V on January 25, 2010, and is required to incur exploration expenditures as follows:

(i) In order to exercise the option to acquire an initial 60% interest in Sunland:
A$300,000 ($295,800) by December 31, 2010 (completed)
A$200,000 ($198,160) by December 31, 2011
A$500,000 ($495,400) by December 31, 2013

(ii) In order to exercise the option to acquire an additional 30% interest in Sunland, the Company must incur an additional A$3.0 ($3.0) million in expenditures on the property for a total of A$4.0 ($4.0) million before December 31, 2017 and issue an additional 3 million common shares of the Company to Rowen.

Part of the Hawkwood property is subject to a 2% net smelter royalty ("NSR") payable to Newcrest Operations Limited ("Newcrest").

Eastern Iron Joint Venture Agreement

The Company entered into an agreement (the "Eastern Agreement") dated January 13, 2010 between Eastern Iron Limited ("Eastern Iron") and Rugby Mining Pty Ltd. with respect to certain portions of exploration permit 15289 and exploration permit application 17099 (the "Exploration Area") which comprises a part of the Hawkwood project. Under the terms of the Eastern Agreement, Eastern Iron can earn a 50% interest in the Exploration Area by funding an A$200,000 ($198,160) work program by February 10, 2011 and thereafter incurring an additional A$500,000 ($495,400) in exploration expenditures by February 10, 2013 ("Phase One"). On December 1, 2010, Eastern Iron provided notice that they had fulfilled their initial A$200,000 ($198,160) work program commitment. Eastern Iron can increase its interest in the Exploration Area to 80% by incurring an additional A$3.6 ($3.6) million in expenditures and completing a bankable feasibility study by 2018 ("Phase Two").

Exploration permit 15289 is subject to a 2% NSR held by Newcrest. Eastern is required to incur expenditures and complete a bankable feasibility study to earn its interest as follows:

Phase One
(i) A$200,000 ($197,200 minimum commitment by February 10, 2011); (completed)
(ii) A$200,000 ($198,160) by February 10, 2012 and
(iii) additional A$300,000 ($297,240) by February 10, 2013,
for total Phase One expenditures of A$700,000 ($693,560).

Phase Two
(i) additional A$300,000 ($297,240) by February 10, 2014
(ii) additional A$300,000 ($297,240) by February 10, 2015
(iii) additional A$1.0 ($1.0) million by February 10, 2016
(iv) additional A$1.0 ($1.0) million by February 10, 2017 and
(v) additional A$1.0 ($1.0) million by February 10, 2018,
for total Phase Two expenditures of A$3.6 ($3.6) million and cumulative expenditures of A$4.3 ($4.3) million.

On October 25, 2010, the Company reported that Eastern Iron's exploration drilling at the Hawkwood project had returned intersections of iron mineralization indicating potential for a large tonnage magnetite deposit. Eastern Iron reported that it had completed a 19 hole reverse circulation drilling program, specifically targeting the iron ore potential of the property. The 19 holes, comprising 1,848 meters ("m") returned multiple intersections with up to 112m of magnetite bearing gabbro. Drilled intervals averaged 23% contained magnetite over an average intersected width of 43m with individual assays returning up to 35% iron.

Exploration permit application 17099 was granted on April 14, 2011. Rugby is planning to commence a geochemical survey at the Mary Elizabeth gold prospect which is located on the granted application during the second quarter 2011.

Mabuhay Gold project, Philippines

The Mabuhay Gold project ("Mabuhay") is located 12 kilometres ("km") south of Surigao City, the capital city in the province of Surigao del Norte, Philippines. Mabuhay, formerly known as "The Mindanao Mother Lode Mine" ("Mother Lode") was an epithermal vein style bonanza-grade gold mine that is estimated to have produced around 500,000 ounces of gold from 1937 through to 1953. Mother Lode, which was once one of the Philippines' highest grade gold producers, is located in the centre of the project's tenements.

Mabuhay covers an area of 878 hectares ("ha") comprising a Mineral Production Sharing Agreement application (APSA No. 000029-X) which is currently awaiting approval. A group of pre-existing mining lease contracts covering an aggregate area of 686 ha, which are also included in the agreement, are located within APSA No. 000029-X. These mining lease contracts are currently valid and allow Rugby to conduct exploration and drilling activities.

Past drilling conducted on Mabuhay, which targeted the epithermal vein system at Mother Lode, returned significant results including 15.5m at 5.92g/t gold and 3.9m at 18.11g/t gold. Rugby will focus on testing the deep porphyry targets and has completed an Induced Polarization ("IP") survey over the entire property and in early 2011commenced a drill program to test geophysical anomalies that were defined.

The Mabuhay Agreement

On October 5, 2010, the Company announced it had entered into agreements with Pelican Resources Limited, an ASX listed company, and All-Acacia Resources Inc. ("All-Acacia"), a Philippine company over the Mabuhay project in the Philippines. The agreement with Pelican Resources Limited ("Pelican") and its Philippine subsidiary, SunPacific Resources Philippines, Inc. ("SunPacific"), together with the agreement with All-Acacia (collectively, the "Mabuhay Agreement") grant the Company the right and option ("Mabuhay Option") to earn an 80% interest in the project. Under the Mabuhay Agreement, the Company will be required to make staged payments to Pelican and All-Acacia totalling US$900,000 ($876,510) over three years and incur staged expenditures of US$6.5 ($6.3) million over six years including the completion of a pre-feasibility study. In addition, the Company has paid Pelican a signature fee of US$20,000 ($20,466). Pelican will be paid a further US$5 ($4.9) million if commercial production commences at Mabuhay. Upon the exercise of the Mabuhay Option, All-Acacia and the Company will form a joint venture with respect to the development of and conduct of mining operations on the property and on each anniversary date thereafter, the Company must pay an additional US$200,000 ($194,780) to All-Acacia towards All-Acacia's pro-rata share of expenditures until commencement of production from the Property.

Comita Porphyry Copper Gold Project, Colombia

The Comita porphyry copper gold project ("Comita") is located 100 kilometres ("km") southwest of Medellin in the Choco Region of Colombia. The region is an established mining /exploration district in Colombia that hosts significant operating gold mines and multiple copper gold porphyry discoveries.

The area was first recognized during the 1980's by a German government (BGR) reconnaissance exploration program which identified extensive and strongly anomalous copper stream sediment geochemistry which defined outcropping porphyry copper style mineralization. The zone of strong stream sediment copper anomalism covers a district sized area of approximately 8 square kilometres ("sq km"). Comita, which covers an area of 45 sq km, comprises one granted Contract Concession (JB5-08011) covering 15 sq km and two adjoining Concession Applications totalling 30 sq km. The Contract Concession was acquired by Rio Tinto in April 2010.

Comita is situated within undulating terrain with elevation ranging up to 900m. Mineralization is hosted by a sequence of felsic tuffs, proximal to and immediately west of the contact with a number of syenite to monzonite intrusives. Previous exploration by the BGR indicates potential for an enriched supergene blanket containing chalcocite after bornite, cuprite, malachite and native copper. Molybdenite was also observed. Alteration appears similar to other large porphyry copper systems where primary magnetite is replaced by hematite (martitization). Mineralized outcrops of stockwork quartz-bornite veining occur within the property. To date, no systematic modern exploration or drilling has been conducted on the property.

Existing mines in the region include Medoro Resource's Marmato deposit (9.7Moz Au) and the Frontino Gold Mine, which historically produced about 4.5 million ounces of gold ("Moz Au). Significant gold porphyry discoveries in the district include Sunward Resources' Titiribi (3.7Moz Au) deposit, AngloGold Ashanti's La Colosa (12.3 Moz Au) deposit, and AngloGold / B2Gold's Gramalote (2.4Moz Au) deposit.

The Comita Agreement

On October 12, 2010, the Company announced it had entered into an agreement (the "Comita Agreement") with Rio Tinto Mining and Exploration Colombia ("Rio Tinto"), over Comita in Colombia, granting it the right to earn up to a 60% interest in the project. The Comita Agreement provides that all of the mineral titles at Comita owned by Rio Tinto, will be transferred to a new Colombian entity ("Newco") and grants the Company the right to earn an initial 40% interest in Newco upon completion of certain exploration activities and incurring expenditure commitments, with a further option to earn an additional 20% interest, for a total interest of 60% in Newco. Under the terms of the Comita Agreement, the Company can earn the 60% interest in Newco (an effective 60% indirect interest in the Comita project) if it completes the obligations set out in the two options as follows:

Option 1: The Company has an initial 5 year option to acquire an indirect 40% interest in the Comita Project by incurring US$10.0 ($10.0) million in exploration expenditures which include at least 10,000m of drilling as follows:

(i) US$250,000 ($243,475) on or before October 21, 2011, the first anniversary date of the agreement (committed).

(ii) Thereafter the Company has the option, but not the obligation to incur US$9.75 ($9.50) million over the following four years with minimum annual expenditures of US$250,000 ($243,475) until such time as the Concession Applications are granted and the Comita project is removed from the forestry reserve, following which the minimum annual expenditure will increase to US$1.0 ($1.0) million.

Excess expenditure in any given year may be carried forward to the next year however such carry forward is limited to US$1.0 ($1.0) million at the end of the initial 5 year option. Upon incurring the expenditures set out above, the Company is required to provide Rio Tinto with notice that it has met the requirements to acquire the initial 40% interest in Newco following which Rio Tinto has 90 days to elect to resume management of the Comita project. In the event that Rio Tinto elects to resume management of the Comita project, a joint venture will be formed and dilution provisions will apply. Should Rio Tinto elect not to resume management of the Comita project, the Company will be granted a second option to acquire a further 20% indirect interest in Newco as set out below.

Option 2: Upon the Company being granted the second option it will have 3 years to acquire an additional 20% interest in Newco for a total 60% indirect interest in the project by incurring an additional US$15.0 ($14.6) million in expenditures, including 20,000m of drilling with minimum annual expenditures of US$1.0 ($1.0) million.

Interceptor Gold Copper Project, Argentina

The Interceptor Porphyry gold copper project ("Interceptor") is located in Catamarca Province in Northern Argentina. Interceptor is drill ready with large scale targets defined by geochemical and geophysical surveys conducted by a previous operator.

In 1997 Newcrest Mining Ltd identified gold and copper mineralization in a sediment-intrusive complex at Interceptor. Eight bulldozer trenches totalling 2,000m were completed within a two sq km area. Importantly, not all of the trenches were successful in reaching bedrock. A total of 428 channel samples were collected by Newcrest, including:

- 39m at an average grade of 0.56 g/t gold
- 39m at 1.22 g/t gold
- 42m at 0.33% copper and 0.21g/t gold

The geology of Interceptor is documented to be an early microdiorite intruding an older sedimentary sequence which was subsequently intruded by silica-sericite-pyrite altered quartz-feldspar porphyry. Secondary copper mineralization is associated with quartz-stockworks that are exposed in a zone up to 100m wide. Colluvial cover obscures the true extent of the mineralization. Previous geophysical surveys identified a strong IIP anomaly which appears to be open and widening to the south. No drilling was performed.

The Interceptor Agreement

On November 23, 2010 the Company entered into an option agreement (the "Interceptor Agreement") with Miranda S.A., an Argentine company ("Miranda") to acquire 100% of Interceptor. The Interceptor Agreement grants the Company a 6 year option to acquire 100% of titles which have a total area of 32.4 sq km. The consideration is the payment of an initial US$50,000 ($51,330) and thereafter the payment of an annual option fee of US$50,000 ($48,695) for 3 years, followed by payments of US$62,500 ($60,868); US$75,000 ($73,043) and US$87,500 ($85,216) for years 4 to 6. In addition, in order to exercise the option, the parties will negotiate the option exercise price, which will not be less than US$1.0 ($1.0) million and no greater than US$5.0 ($4.9) million. Miranda will also retain a 2% NSR over the properties. If the Company exercises the option to acquire the properties it will be required to pay escalating advance royalty payments until the property is put into production. The Company also has an option to purchase the NSR from Miranda. There are no minimum annual expenditure or work commitments.

Amended & restated

Selected Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended February 28, 2011, 2010 and 2009, which have been prepared in accordance with Canadian GAAP. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	Year ended February 28, 2011	Year ended February 28, 2010	Year ended February 28, 2009
Interest income, net	$ 22,051	$ 121	$ 19,905
Net loss	$ 3,319,972	$ 1,474,604	$ 254,801
Loss per share	$ 0.14	$ 0.08	$ 0.05
Total Assets	$ 8,069,537	$ 966,503	$ 852,513
Total Liabilities	$ 326,472	$ 143,644	$ 133,414
Number of shares issued and outstanding	32,052,500	20,195,000	16,000,000

Results of Operations for the year ended February 28, 2011

The Company recorded a net loss for the year of $3,319,972 which is comprised of administrative expenses (calculated by removing interest income, project evaluation expenditures, professional fees and stock-based compensation from the net loss) of $216,317, interest income of $22,051 project evaluation expenditures of $1,142,021 professional fees of $114,081, foreign exchange loss of 10,519 and stock-based compensation of 1,859,085.

Summary of Quarterly Results

	2011				2010			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Interest income	$ 22,051	$ -	$ -	$ -	$ -	$ -	$ -	$ 121
Administrative expenses	99,225	51,585	28,839	27,767	18,581	20,671	33,777	28,657
Professional fees	46,005[1]	20,732[1]	22,662[1]	24,682[1]	33,415	1,913	4,026[2]	15,689[1]
Project evaluation costs	405,539	587,873[6]	110,974[3]	37,635	658,346[4]	97,200	275,207[5]	61,644

(1) Includes legal and accounting fees related to project agreements and year end audits.
(2) Professional fees are substantially related to costs associated with completing a QT.
(3) Includes US$20,000 ($20,466) paid to Pelican as a signature fee.
(4) Includes $615,000 being the fair market value of 1.5 million shares issued to Rowen in connection with the Hawkwood Option.
(5) Includes A$200,000 ($183,202) paid to Rowen for re-imbursement of expenditures.
(6) Includes US$50,000 ($51,070) paid to All-Acacia for the Mabuhay property and US$50,000 ($51,330) payable to Miranda S.A for the Interceptor property.

Financial Condition, Liquidity and Capital Resources

As at February 28, 2011, the Company had cash resources of $7,970,579 and working capital of $7,709,417. The Company believes that its cash resources are sufficient to meet its currently planned expenditures. The Company will continue to utilize its cash resources to fund project exploration and administrative requirements. Aside from cash, the Company has no material liquid assets. There is no assurance that Rugby will be able to raise necessary funds through capital raisings in the future.

Management evaluates and adjusts its planned level of activities to ensure that adequate levels of working capital are maintained. The future availability of funding will affect the planned activity levels at the Company's projects and expenditures will be adjusted to match available funding.

The Company has no loans or bank debt and there are no restrictions on the use of its cash resources. The Company has not issued any dividends and management does not expect this will change in the near future.

Additional funds will be required in future to fund the ongoing exploration and planned development activities of the Company.

Contractual Obligations

The Company leases office space in Canada. The office lease commitments are summarized in the table below:

		Payments Due by Year		
	Total	2012	2013-2014	2015-2016
Office lease				
- Canada *	$ 216,623	$ 42,475	$ 87,074	$ 87,074
- Foreign offices	26,218	26,218	-	-
Total	**$ 242,841**	**$ 68,693**	**$ 87,074**	**$ 87,074**

*The Company together with two associated companies has entered into a lease for office premises. The amount reflected above is the Company's share of the lease obligation.

Related Party Transactions

Amounts due to related parties of $116,544 at February 28, 2011 (2010 - $102,437) is for administrative support fees, management, consulting and exploration fees, and for expenses incurred while conducting the Company's business. The amounts due to related parties are non-interest bearing and have no terms of repayment.

During the year ended February 28, 2011, related party transactions not otherwise disclosed in these financial statements are as follows:

a) Accrued project evaluation costs of $236,770 (2010 - $117,525) to a company controlled by the Chief Executive Officer of the Company. As at February 28, 2011, the Company has amounts owing of $48,760 (2010 - $32,783) to this company.

b) Paid or accrued administrative support fees of $137,026 (2010 - $60,000) to a company with common directors. As at February 28, 2011, the Company has amounts owing of $67,784 (2010 - $5,250) to this company.

c) Paid or accrued rent expense of $15,578 (2010 - $Nil) to a company controlled by a director of the Company.

d) Amounts owing to a company controlled by a director of $Nil (2010 - $64,404)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The Company's financial instruments consist of cash and accounts payable. The Company's activities expose it to a variety of financial risks, including credit risk, liquidity and market risk. Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash by purchasing highly liquid, short term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy. The credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company normally maintains sufficient cash to meet the Company's business requirements. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

i) Interest rate risk

The Company's cash consist of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2011. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The Company's sensitivity analysis suggests that a 1% change in interest rates would not have a material effect on interest income.

ii) Foreign currency risk

The Company is exposed to foreign currency risk as monetary financial instruments are denominated in US, Colombian, Philippine and Australian currencies. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash currently held in foreign currencies. The Company's foreign currency risk is increasing with the increased expenditures being incurred and the related increases in foreign currency payables. The Company's sensitivity analysis suggests that a consistent 5% change in the absolute rate of exchange in all foreign jurisdictions would not have a material impact on these financial statements.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk, foreign exchange risk or commodity price risk. The Company has no financial instruments exposed to such risk.

Risks and Uncertainties

General

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties. The Company does not produce, develop or sell any mineral products at this time. All of the Company's properties are in the exploration stage and consequently do not generate any operating income or cash flow from operations. The Company has relied on equity capital to finance its activities in the past and will continue to do so for the foreseeable future.

Business Cycles

The mineral exploration business is affected by fluctuations in commodity price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Although the Company does not have producing mining operations, its ability to finance its mineral exploration programs is related and sensitive to the market prices of gold, silver and other precious metals. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company.

Risk Factors

The activities of the Company are speculative due to the high risk nature of its business which is the acquisition, financing, exploration and development of mineral exploration properties. The following risk factors, which are not exhaustive, could materially affect the Company's business, financial condition or results of operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks include but are not limited to the following:

We have no operating history.

Although all persons who will be involved in the management of the Company have had long experience in their respective fields of specialization, we have no operating history upon which prospective investors can evaluate our performance.

We are subject to substantial environmental requirements which could cause a restriction or suspension of our operations.

The Company is subject to substantial environmental requirements which could cause a restriction or suspension of certain operations. The current and anticipated future operations of the Company require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing various elements of the mining industry. The Company's exploration activities in Colombia, the Philippines, Argentina and Australia are subject to various Federal, Provincial and local laws governing land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, and other matters. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Company seek permits from various governmental agencies the granting of which may be beyond its control.

We operate in the resource industry, which is highly speculative, and has certain inherent exploration risks which could have a negative effect on our operations.

The exploration for and development of mineral deposits involves significant risks which careful evaluation, experience and knowledge may not, in some cases, fully mitigate. Identifying mineral deposits is a time consuming and expensive business and the commercial viability of any mineral deposit, if found, depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit.

Properties Held Under Option

Certain of our mineral exploration properties are currently held under option. We have no ownership interest in these properties until we meet, where applicable, all required property expenditures, cash payments, and common share issuances. If we are unable to fulfill the requirements of these option agreements, it is likely that we would be considered in default of the agreements and the option agreements could be terminated resulting in the complete loss of all expenditures and required option payments made on the properties to that date.

No Known Mineral Resource or Reserves

The Company is in the process of exploring for mineral deposits and has no known mineral resources or reserves and, if found, such mineral resources or resources may not prove to be economic, which would have a negative effect on the Company's operations and valuation. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit. Some of the areas in which the Company is exploring for minerals have little or no infrastructure including roads, power or water and the cost of conducting exploration in such environments is correspondingly increased.

Laws and Regulations

In certain countries, the ownership of mining rights is limited or is subject to interpretation of various laws. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to secure or retain ownership of mineral properties.

The Company's mineral exploration is, and any development activities will be, subject to various Colombian, Philippine, Argentine, and Australian laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Some of the mineral properties which the Company is exploring are located within forest reserves or adjacent to designated parks and special permits are required in order for it to commence exploration activities which can affect the environment within such areas. The availability of such permits has not yet been fully established by the Company. Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits which we may require for future exploration or possible future development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to us or our properties. This could have a negative effect on our exploration activities or our ability to develop our properties.

As we are presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require us to provide remedial actions to correct the negative effects.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Access to Capital

We have limited financial resources and no operating cash flow. The Company expects to incur net cash outlays until such time, if ever, as its properties enter into commercial production and generate sufficient revenues to fund continuing operations. The development of mining operations would require the commitment of substantial resources for operating expenses and capital expenditures, which are likely to increase in subsequent years as needed consultants, personnel, materials and equipment associated with advancing exploration, development and commercial production of our properties are added. Currently inflation in some of the countries in which the Company is active in mineral exploration is unofficially estimated at 25% to 30% per annum.

The amounts and timing of expenditures incurred by the Company will depend on the progress and success of ongoing exploration, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include public or private offerings of equity or debt. In addition, the Company may enter into strategic alliance, sell certain of its assets or utilize a combination of all of these alternatives. There can be no assurance that financing will be available on acceptable terms, or at all.

Recent global market events and conditions including disruptions in the Canadian, United States, European and other international credit markets and other financial systems may, among other things, impede the Company's access to capital or increase the cost of capital, both of which could have an adverse effect on the Company's ability to fund its operating, exploration and other requirements. These unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. The Company may not be able to access capital on acceptable terms to the Company, or at all. If we are unable to obtain sufficient financing in the future, we might have to dramatically slow exploration efforts and/or lose control of our projects. If equity financings are required, then such financings could result in significant dilution to existing or prospective shareholders.

Political and economic uncertainties.

The Company's property interests and exploration activities are carried out in foreign countries, principally Colombia, the Philippines, Argentina and Australia. Accordingly, the Company's activities are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, the rights of indigenous peoples and local communities, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions and fluctuations, changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important resources and facilities such as mineral resources and mines, could have a significant effect on us. Any changes in regulations or shifts in political attitudes are beyond our control and may adversely affect our business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on foreign ownership of mineral resources, future exploitation and production, price controls, export controls, foreign exchange controls, income and/or mining royalties and taxes, expropriation of property, environmental legislation and mine and/or site safety. No assurances can be given that our plans and operations will not be adversely affected by future developments in the countries in which our company operates. The Company does not maintain political risk insurance.

Some of the Company's properties are located in countries which have experienced difficult personal security environments where some acts of kidnapping, terrorism and extortion have been reported. The cost of operating in such environments is increased by the need for site and personnel security and support.

Title to properties

In certain countries, the ownership of mining rights and, in particular, foreign ownership, is limited or is subject to interpretation of various laws. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to retain or secure ownership of mineral properties.

Although the Company believes it has exercised commercially reasonable due diligence with respect to determining title to properties it owns, controls or has the right to acquire by option, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unrecorded agreements or transfers or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of the Company's properties, which, if successful, could impair development and/or operations. In addition, mineral properties may be leased and may be subject to defects in title. Only a preliminary legal survey of the boundaries of some of our properties has been done and, therefore, in accordance with the laws of the jurisdictions in which these properties are situated, their existence and area could be in doubt. If title is disputed, we will have to defend our ownership through the courts. In the event of an adverse judgment, we would lose our property rights.

The Natural Resource Industry is Highly Competitive

We compete with other exploration resource companies which have similar operations, and many competitors have operations, financial resources and industry experience greater than ours. This may place us at a disadvantage in acquiring, exploring and developing properties. These other companies could outbid us for potential projects or produce minerals at lower costs which would have a negative effect on our operations.

Dependence on Key Personnel

We depend on the business and technical expertise of our management and key personnel, including Paul Joyce, the President and Chief Executive Officer. It is unlikely that this dependence will decrease in the near term. As our operations expand, additional general management resources will be required. We may not be able to attract and retain additional qualified personnel and this would have a negative effect on our operations. We have entered into a formal services agreement with Paul Joyce, our President and Chief Executive Officer. We maintain no "key man" life insurance on any members of our management or directors.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

The market for our common shares is subject to volume and price volatility which could negatively affect a shareholder's ability to buy or sell our common shares.

The market for our common shares may be highly volatile for reasons both related to our performance or events pertaining to the industry (i.e. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to us or our industry such as economic recessions and changes to legislation in the countries in which we operate. In particular, market demand for products incorporating minerals in their manufacture fluctuates from one business cycle to the next, resulting in changes in demand for the mineral and an attendant change in the price for the mineral. Since our listing on the TSX Venture Exchange, the price of our common shares has fluctuated between $0.18 and $1.98. Our common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding our business, and changes in estimates and evaluations by securities analysts or other events or factors. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, our common shares can also be subject to volatility resulting from purely market forces over which we will have no control such as that experienced recently resulting from the on-going credit crisis centred in the

United States. Further, despite the existence of a market for trading our common shares in Canada, our shareholders may be unable to sell significant quantities of our common shares in the public trading markets without a significant reduction in the price of the stock.

Critical Accounting Estimates and Policies

The Company's accounting policies are discussed in detail in the Consolidated Financial Statements, however, accounting policies require the application of management's judgement in respect of the following relevant matters:

(i) use of estimates – the preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include accrued liabilities, the determination of the assumptions used in the calculation of stock-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements

(ii) mineral property costs – the Company regularly reviews the carrying value of each mineral property for conditions that suggest impairment. This review requires significant judgement where the Company does not have any proven or probable reserves that would enable an estimate of future cash flows to be compared to the carrying values. Factors considered in the assessment of impairment include, but are not limited to, whether there has been a significant decrease in market price of the property; whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future and whether the Company has funds to be able to maintain its interest in the mineral property; and

(iii) stock-based compensation – the Company provides compensation benefits to its employees, directors, officers and consultants through a stock-based compensation plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the stock. The Company utilizes historical data to estimate the expected option term for input into the valuation model. The risk-free rate for the expected term of the applicable option is based on the Government of Canada yield curve in effect at the time of the grant.

Actual results may differ materially from those estimates based on these assumptions.

Mineral property interests

Exploration expenditures and option payments incurred prior to the determination of the feasibility of mining operations and the decision to commence development are charged to operations as incurred.

Pre-development costs incurred prior to a development decision and the receipt of all necessary permits and licenses for sustained mining operations are charged to operations as incurred.

Development expenditures incurred subsequent to the commencement of commercial production to increase productive capacity or to extend the life of existing production will be capitalized under mine development costs.

Changes in Accounting Policies and New Accounting Developments

a) Business Combinations, Consolidated Financial Statements and Non-Controlling Interests, Sections 1582, 1601 and 1602

The CICA issued Handbook Sections 1582 – Business Combinations, 1601 – Consolidated Financial Statements, and 1602 – Non-Controlling Interests. Section 1582 replaces Section 1581 – Business Combinations and establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Sections 1601 and 1602 replace Section 1600 – Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. The Company adopted these policies effective March 1, 2010 and concluded that there is no material impact to the consolidated financial statements.

b) Conforming amendments

CICA 1625, Comprehensive Revaluation of Assets and Liabilities, has been amended as a result of issuing CICA 1582, 1601 and 1602 as described above. The amendment is effective prospectively for comprehensive revaluations of assets and liabilities occurring in years beginning on or after January 1, 2011. CICA 3251, Equity, has been amended as a result of issuing CICA 1602. Amendments apply to entities that have adopted CICA 1602. The Company early adopted CICA 3251 policies effective March 1, 2010 in conjunction with the adoption of CICA 1582, 1601 and 1602. There is no material impact on the consolidated financial statements from the adoption of this amendment.

International Financial Reporting Standards ("IFRS") – Transition Update

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The Company will therefore be required to present IFRS financial statements for its May 31, 2011 interim financial statements and for the year ended February 28, 2012. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ending February 28, 2011 and earlier where applicable.

IFRS Transition Plan

The Company has developed and implemented a project plan to ensure full compliance with IFRS requirements by 2011. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which changes to accounting policies may be required.	Completed.
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time adoption of International Financial Reporting Standards.	Completed.
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.

During the evaluation of requirements for conversion to IFRS, the Company has assessed changes that need to be made to its accounting systems and business processes. The Company believes that these changes are minimal and the systems and processes can accommodate the necessary changes. The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS affecting the Company and the changes to accounting policies. The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and are aware of the key aspects of IFRS affecting the Company.

First-time Adoption of IFRS

IFRS 1 sets forth guidance for the initial adoption of IFRS. Commencing for the period ending May 31, 2011 the Company will restate its comparative fiscal 2010 financial statements for annual and interim periods consistent with IFRS. In addition, the Company will reconcile equity and net earnings from the previously reported fiscal 2010 GAAP amounts to the restated 2010 IFRS amounts. IFRS 1 generally requires that first-time adopters retrospectively apply IFRS standards and interpretations in effect as at the first annual reporting date.

IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has elected to not apply the requirements to those options that have fully vested on or before the January 1, 2010 transition date. At this time, the Company is not planning to apply any optional exemptions in the preparation of its opening IFRS statement of financial position as at January 1, 2010, the Company's "Transition Date". However, prior to reporting interim financial statements in accordance with IFRS for the quarter ending May 31, 2011, the Company may decide to apply some of the optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. However, based on its evaluation to date, the Company does not expect any changes to its accounting policies that would result in significant changes to line items within its financial statements.

The following provides a summary of the Company's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas that the Company has identified as having the most potential for a change in its significant accounting policies. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, the Company is not aware of any significant expected changes that would affect the summary provided below.

1) Exploration Expenditures

Mineral properties consist of exploration and mining concessions, options and contracts. Under the Company's current accounting policy exploration expenditures are expensed as incurred and acquisition costs are capitalized as incurred and deferred until such time as the property is put into production or the property is disposed of, either through sale or abandonment or becomes impaired. If a property is put into production the cost of acquisition will be written off over the life of the property based on estimated economic reserves.

IFRS 6, Exploration for and Evaluation of Mineral Resources, applies to expenditures incurred on properties in the exploration and evaluation ("E&E") phase, which begins when an entity obtains the legal rights to explore a specific area and ends when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. IFRS 6 requires entities to select and consistently apply an accounting policy specifying which E&E expenditures are capitalized and which are expensed.

No significant difference is expected as the Company will continue to capitalize all acquisition costs and expense exploration and evaluation costs.

2) Impairment of (Non-financial) Assets

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected in the Company's first financial statements prepared in accordance with IFRS, which will be the interim financial statements for the three months ending May 31, 2011, and will include notes disclosing transitional information and disclosure of new significant accounting policies under IFRS. The interim financial statements for the three months ending May 31, 2011 will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and the transition date IFRS statement of financial position (as at March 1, 2010).

Management's Responsibility for the Financial Statements

The preparation and presentation of the accompanying Consolidated Financial Statements, MD&A and all financial information are the responsibility of management and have been approved by the Board of Directors. The Consolidated Financial Statements have been prepared in accordance with Canadian GAAP. The Consolidated Financial statements, by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and with the participation of the CEO and the CFO, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. The CEO and CFO will certify the annual filings with the CSA as required in Canada by Multilateral Instrument 52-109. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the Consolidated Financial Statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management. The Audit Committee is appointed by the Board of Directors and reviews the Consolidated Financial Statements and MD&A; considers the report of the external auditors; assesses the adequacy of our internal controls, including management's assessment described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board of Directors for consideration when approving the Consolidated Financial Statements for issuance to the shareholders and also Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Additional Information

As at June 23, 2011 the Company had 32,602,500 common shares issued and outstanding, of which 3,155,000 are held in escrow, and had outstanding options and warrants as follows:

	Number	Weighted Average Exercise Price
Options:	6,435,000	$0.93
Warrants:	2,097,500	$0.30

Directors and Officers

Directors:	Officers:
Paul Joyce	Paul Joyce, President and CEO
Bryce Roxburgh	Darcy Daubaras, CFO
Yale Simpson	
Robert Reynolds	
Cecil Bond	
Louis Montpellier	

Contact Person

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